

Summary of Reports of Salaries of \$600 or More, Other Income Payments of \$600 or More,
Dividend Payments, and Distributions in Liquidation of \$600 or More

		(Date received)
(Name of payor of income)		
(Street and number or rural route)		
(City or town, postal zone number)	(State)	

INSTRUCTIONS

1. **When and Where To File.**—This return (Form 1096) must be used to summarize and transmit Forms 1099 and 1099L, in accordance with the instructions hereon, and delivered together with such forms on or before February 28, 1954, to the Commissioner of Internal Revenue, in care of Processing Branch, C. C. Station, Kansas City 13, Missouri.

2. **General Rules for Form 1099.**—Except as specified in Instruction 3, a separate information return on Form 1099 must be made by every individual, partnership, and corporation with respect to each person to whom payments were made during the calendar year 1953 in the following amounts:

a. Salaries, wages, fees, commissions, and other compensation for personal services totaling \$600 or more, to the extent not reported on Form W-2a or Form 1042. (See definition of compensation in paragraph 4, below.)

b. Interest, rents, royalties, annuities, pensions, alimony, and other fixed or determinable income totaling \$600 or more.

c. Dividends or distributions to any shareholder (other than distributions in liquidation), totaling \$10 or more, except that (1) in the case of corporations described in section 101 (10), (11), (12), and (13), such total shall be \$100 or more and (2) in the case of savings and loan associations, cooperative banks, homestead associations, credit unions, and building and loan associations, such total shall be \$600 or more.

d. Patronage dividends, rebates, or refunds totaling \$100 or more and allocated during the calendar year by any corporation except insurance companies taxable under Supplement G of the Internal Revenue Code and corporations (including any cooperative or nonprofit corporation engaged in rural electrification) exempt from taxation under section 101 (10) or (11) of the Code. Include all amounts allocated as patronage dividends, rebates, or refunds whether in cash, merchandise, capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice, or in some other manner that discloses to the payee the dollar amount allocated.

3. **Exclusions From Form 1099.**—No report on Form 1099 is required in the following cases: (a) Wages reported on Form W-2a; (b) payments of any type (other than patronage dividends, rebates, or refunds) to a corporation; (c) payments to a nonresident alien reported on Form 1042; (d) distributions or salaries to members of a partnership reported on Form 1065; (e) distributions to beneficiaries of trusts or estates reported on Form 1041; (f) rent paid by a tenant to a real estate agent; (g) payments made by a broker to his customers; and (h) interest on tax-free covenant bonds reported on Form 1012.

4. **Compensation Defined.**—Compensation for personal services to be reported on Form 1099 includes not only wages and salaries in the ordinary meaning of the terms but also other items such as (a) the value of living quarters or meals furnished in lieu of cash compensation for personal services, (b) traveling or other expense allowances for which the employee is not required to submit an itemized account showing that such allowances were ordinary and necessary expenses in the employer's business, and (c) insurance premiums which under section 29.165-6 of Regu-

lations 111 are income to the employee for the year in which the insurance is purchased. Such items should be separately identified on Form 1099.

5. **Effect of Form W-2a.**—Where the aggregate compensation of an employee is \$600 or more and a portion thereof is reported on Form W-2a, the remainder of the compensation must be reported on Form 1099, regardless of amount. For example, if the total compensation paid to an employee is \$600 of which \$400 is reported on Form W-2a, the remaining \$200 must be reported on Form 1099.

6. **Annuity Payments To Be Reported.**—Annuity payments shall be reported in an amount equal to 3 percent of the aggregate premiums or consideration paid for the annuity (whether or not paid during the taxable year) until the aggregate amount paid to, and not required to be included in the gross income of, the annuitant equals the aggregate premiums or consideration paid for such annuity; thereafter, the entire amount of the annuity payments shall be reported.

7. **Foreign Items.**—In the case of foreign items, i. e., interest upon the bonds of a foreign country or of a nonresident foreign corporation not having a fiscal or paying agent in the United States (including Puerto Rico), or dividends upon the stock of such corporation, a report on Form 1099 shall be filed by the bank or collecting agent accepting the items for collection, if the amount paid to an individual (citizen or resident of the United States), a resident fiduciary, or a resident partnership any member of which is a citizen or resident, during the calendar year 1953 is \$600 or more.

8. **Nontaxable Distribution.**—The reverse of this form should be used to explain dividend distributions made in the ordinary course of business (but not distributions in liquidation) which are considered by a corporation to be nontaxable or partly nontaxable to the shareholders. Such report should be filed not later than February 1, 1954. Patronage dividends, etc., whether or not taxable to the distributee, should be reported as provided in Instruction 2d.

9. **Form 1099L—Distributions in Liquidation.**—Every corporation making any distribution in liquidation, within the meaning of section 115(c) of the Internal Revenue Code, shall make a report on Form 1099L with respect to each shareholder to whom such distribution amounting to \$600 or more was made during the calendar year 1953, unless such distribution is one with respect to which information is required to be filed pursuant to section 112 (b) (6), 112 (g), or 371 of the Code and the regulations issued thereunder. A copy of the resolution of the board of directors authorizing payments in liquidation should be attached hereto.

10. **Calendar Year Basis.**—Reports on Forms 1099 and 1099L are required to be rendered on the basis of the calendar year even though the income tax return of the payor is filed on the basis of a fiscal year.

11. **Verification.**—Returns of individuals must be signed by the individual or his duly authorized agent. Returns of corporations, partnerships, etc., must be signed by an officer of the corporation or member of the partnership.

I hereby declare under the penalties of perjury that to the best of my knowledge and belief the accompanying reports on Form 1099 and Form 1099L, and/or the statements on the reverse of this form, including any accompanying schedules, constitute a true and complete return of payments of the above-described classes of income made by the person or organization named above during the calendar year 1953.

Number of reports on Form 1099 attached

Number of reports on Form 1099L attached

(Signature)

(Date)

Approved For Release 2002/05/08 : CIA-RDP79-00065A000100170023-7

(Title)

In the event the corporation is of the opinion that the dividend distributions made during 1953 are, for any reason, nontaxable or partly nontaxable, the corporation should furnish the information called for below and file this form, together with Form 1099, with the Commissioner of Internal Revenue, in care of Processing Branch, C. C. Station, Kansas City 13, Missouri, not later than February 1, 1954. The corporation will be promptly advised by letter as to any apparent errors in order that the corporation may, if time permits, furnish such advice to its stockholders before the stockholders file their income tax returns for the calendar year 1953.

A schedule should accompany this form showing the manner in which the taxable and nontaxable portions were determined, including an explanation of any change in the outstanding capital stock during the year.

The following general principles should be observed in the determination of the taxable status of dividend distributions made during the year 1953:

(a) Distributions are considered taxable if the total earnings and profits of the current year are equal to the total distributions made within the year, regardless of any deficit existing at the beginning of the year and regardless of the amount of the earnings or profits of the taxable year on hand at the time of the distribution.

(b) In the event the earnings and profits of the current year are not sufficient to cover the distributions, then that proportion of each distribution which the total of the earnings or profits of the year bears to the total distributions made during the year shall be regarded as out of the earnings or profits of that year.

(c) As a further source of taxable distributions in connection with that proportion of the distribution not regarded as out of the earnings or profits of the taxable year, the earnings and profits

accumulated since February 28, 1913, and on hand at the beginning of the year must be considered.

(d) In arriving at the amount of earnings accumulated since February 28, 1913, the earnings of each year or accounting period beginning prior to January 1, 1936 (and in the case of an operating loss for any year or accounting period), should be prorated up to the date each dividend was paid, if the actual earnings to the date of a distribution within any taxable year cannot be shown.

(e) For years beginning on or after January 1, 1936, the earnings available for dividends are not prorated, but the distributions are made out of the earnings of the taxable year, to the extent that there are sufficient earnings, computed as of the close of the taxable year without diminution by reason of any distributions made during the taxable year.

(f) Payment of nontaxable stock dividends does not reduce earnings available for ordinary dividends.

(g) If dividends are paid in a medium other than cash, the cost to the corporation and fair market value of such property at date of distribution should be furnished.

(h) In determining the taxable status of dividends paid to several classes of shareholders in the same taxable year, dividends paid on shares entitled to priority in payment out of earnings are considered as being paid first regardless of the date of payment.

Date of incorporation
Check (✓) whether on the cash ☐ or accrual ☐ basis.

Kind of business _____
The corporation's income tax return is filed for the year ending _____

(Month)

(Day)

Earnings as shown on books for the calendar year 1953, or fiscal year ending.....	\$.....	
Actual undistributed earnings accumulated since February 28, 1913, or date of incorporation if subsequent thereto, and on hand January 1, 1953, or beginning of fiscal year.....	\$.....	

Date	Undistributed Surplus		Capital Stock Outstanding			
			Common		Preferred	
March 1, 1913.....	\$		\$		\$	
*January 1, 1953.....	\$		\$		\$	
*December 31, 1953.....	\$		\$		\$	

* Or beginning and end of fiscal year.

[illegible]

FORM 1099
U. S. Treasury Department
Internal Revenue Service

U. S. INFORMATION RETURN FOR CALENDAR YEAR 1953

1953

KIND AND AMOUNT OF INCOME PAID

1. Salaries, Fees, Commissions, or Other Compensation. Do not include amount reported on Form W-2s	2. Interest on Notes, Mort- gages, Bank Deposits, Etc.	3. Rents and Royalties	4. Annuities, Pensions, Al- imony, and Other Fixed or Determinable Income	5. Foreign Items (\$600 or more)	6. Dividends (\$10 or more) (For Exceptions See Instructions)	7. Patronage Dividends, Rebates, or Refunds (\$100 or more)
	(1600 or more aggregate amount of above items)					
\$	\$	\$	\$	\$	\$	\$

TO WHOM PAID (Print full name and home address)

BY WHOM PAID

(If payee is an employee, show his social security number, if any. If employee is a married woman, also show name of husband.)

(OVER)

INSTRUCTIONS TO PAYORS

Prepare one of these forms for each payee in accordance with the instructions on return Form 1096. **THIS FORM IS NOT REQUIRED WITH RESPECT TO WAGE PAYMENTS REPORTED ON FORM W-2A.**

Forward this form with return Form 1096 so as to reach the Commissioner of Internal Revenue, in care of Processing Branch, C. C. Station, Kansas City 13, Missouri, on or before February 28, 1954.

A copy of this form as filed with the Government should be furnished to the employee whose income is reported in column 1 on other side to assist him in preparing his income tax return.

INCOME TAX RETURN REQUIREMENTS

An income tax return must be filed, on or before March 15, 1954, with the District Director of Internal Revenue for the district in which the payee lives, if the total income reported on this form, when added to his income from all other sources, amounts to \$600 or more.

AN INCOME TAX RETURN FORM MAY BE OBTAINED FROM ANY DISTRICT DIRECTOR OF INTERNAL REVENUE

U. S. GOVERNMENT PRINTING OFFICE : 1953—O-263572